



NATIONAL ASSEMBLY OF QUÉBEC

FIRST SESSION

FORTY-SECOND LEGISLATURE

Bill 893

**An Act to facilitate the marketing of
Québec microdistillers' and
microbrewers' products**

Introduction

**Introduced by
Madam Émilise Lessard-Therrien
Member for Rouyn-Noranda-Témiscamingue**

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EXPLANATORY NOTES

This bill makes various amendments to provisions regarding the permits for the production and distribution of alcoholic beverages prescribed by the Act respecting the Société des alcools du Québec.

A microdistiller's permit is created, authorizing its holder to produce up to an annual 6,000 hectolitres of alcohol and spirits made with at least one ingredient from Québec agriculture or wildcrafting. The permit also allows holders to sell the alcoholic beverages they make, at the place where they are produced, for consumption on the premises or elsewhere, without first having to purchase them from the Société des alcools du Québec.

The small-scale beer producer's permit is replaced by the microbrewer's permit, which authorizes its holder to produce an annual volume of up to 500,000 hectolitres of beer and alcoholic beverages combining beer and other, non-alcoholic, substances.

Microbrewer's permit holders may also sell the alcoholic beverages they make, at the place where they are produced, for consumption on the premises or elsewhere, and may sell and deliver the beer they make directly to consumers.

Holders of a small-scale production permit or microbrewer's permit are authorized to sell the alcoholic beverages they make at a public market or on the premises of a special event, such as a festival, fair, show or exhibition, that meets the criteria determined by regulation.

Lastly, the bill contains various other amendments in connection with those permits, including consequential provisions.

LEGISLATION AMENDED BY THIS BILL:

- Retail Sales Tax Act (chapter I-1);
- Act respecting offences relating to alcoholic beverages (chapter I-8.1);
- Licenses Act (chapter L-3);

- Act respecting liquor permits (chapter P-9.1);
- Act respecting the Société des alcools du Québec (chapter S-13);
- Act respecting the Québec sales tax (chapter T-0.1).

REGULATIONS AMENDED BY THIS BILL:

- Regulation respecting liquor permits (chapter P-9.1, r. 5);
- Regulation respecting alcoholic beverages made with beer (chapter S-13, r. 2);
- Regulation respecting alcoholic beverages made and bottled by holders of a distiller's permit (chapter S-13, r. 3);
- Regulation respecting the duties and costs payable under the Act respecting the Société des alcools du Québec (chapter S-13, r. 5);
- Regulation respecting the sale of beer for consumption elsewhere (chapter S-13, r. 6.3).

Bill 893

AN ACT TO FACILITATE THE MARKETING OF QUÉBEC MICRODISTILLERS' AND MICROBREWERS' PRODUCTS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

AMENDMENTS TO PROVISIONS REGARDING PERMITS FOR THE
PRODUCTION AND DISTRIBUTION OF ALCOHOLIC BEVERAGES

ACT RESPECTING THE SOCIÉTÉ DES ALCOOLS DU QUÉBEC

1. Section 24 of the Act respecting the Société des alcools du Québec (chapter S-13) is amended, in the first paragraph,

(1) by replacing “small-scale beer producer’s permit” by “microbrewer’s permit”;

(2) by inserting the following subparagraph after subparagraph 1.1:

“(1.2) a microdistiller’s permit;”.

2. Section 24.1 of the Act is amended

(1) by inserting “, from raw materials he cultivates,” after “make” in subparagraph 1 of the first paragraph;

(2) by inserting “malted and” after “materials” and by inserting “or in another establishment” after “in his establishment” in subparagraph 1.1 of the first paragraph;

(3) by adding the following subparagraph after subparagraph 3 of the second paragraph:

“(4) the alcoholic beverages he makes, at a public market or on the premises of a special event, such as a festival, fair, show or exhibition, that meets the criteria determined by regulations, without first having to purchase them from the Société des alcools du Québec, provided the permit holder posts a copy of his small-scale production permit at the places where he sells his products.”;

(4) by inserting “or, for purposes of blending, to another holder of a small-scale production permit or microdistiller’s permit” after “to the Société” in the third paragraph;

(5) by replacing the sixth paragraph by the following paragraph:

“Subject to the second and third paragraphs, the holder of such a permit may not sell the alcoholic beverages he makes to the holder of a permit issued under this Act or the Act respecting liquor permits (chapter P-9.1).”

3. Section 24.2 of the Act is replaced by the following section:

“24.2. A microbrewer’s permit authorizes the holder, in accordance with the regulations, to

(1) make and bottle an annual volume not exceeding 500,000 hectolitres of beer and alcoholic beverages combining beer and other, non-alcoholic, substances;

(2) make and bottle other alcoholic beverages provided for by regulation;

(3) have the alcoholic beverages he makes filtered and bottled, on his behalf and in his establishment or in another establishment, by a person who has the necessary equipment and expertise; and

(4) purchase alcoholic beverages provided for by regulation to blend with the products he makes.

Unless he ships them outside Québec, the holder of a microbrewer’s permit may sell the alcoholic beverages he makes only

(1) at the place where they are produced, for consumption on the premises indicated in the permit or elsewhere;

(2) at a public market or on the premises of a special event, such as a festival, fair, show or exhibition, that meets the criteria determined by regulation, provided the permit holder posts a copy of his microbrewer’s permit at the places where he sells his products; or

(3) to the holder of an event permit issued under the Act respecting liquor permits (chapter P-9.1).

The holder of a microbrewer’s permit may sell and deliver

(1) the alcoholic beverages he makes to the Société or to the holder of a grocery permit issued under the Act respecting liquor permits;

(2) the beer he makes to another holder of a microbrewer’s permit or to an industrial permit holder for purposes of blending; and

(3) the beer and alcoholic beverages made with beer and other, non-alcoholic, substances he makes to the Société, to a person holding a permit authorizing him to sell them or directly to a consumer.

Subject to the second and third paragraphs, no holder of a microbrewer's permit may sell the alcoholic beverages he makes to the holder of a permit issued under this Act or the Act respecting liquor permits.

A holder of a microbrewer's permit may not be related to a legal person, within the meaning of the third paragraph of section 25.1, whose annual sales combined with those of the permit holder exceed 1,000,000 hectolitres.

Moreover, a microbrewer's permit authorizes the holder to carry on any operation authorized under a beer distributor's permit."

4. The Act is amended by inserting the following section after section 25.1:

"25.2. A microdistiller's permit authorizes the holder, in accordance with the regulations, to

(1) make and bottle an annual volume not exceeding 6,000 hectolitres of alcohol and spirits made of at least one ingredient from Québec agriculture or wildcrafting and of other alcoholic beverages provided for by regulation;

(2) have his raw materials malted or pressed and the alcoholic beverages he makes filtered and bottled, on his behalf and in his establishment or in another establishment, by a person who has the necessary equipment and expertise;

(3) purchase or import the alcoholic beverages provided for by regulation to blend them with the products he makes; and

(4) distil alcoholic beverages made by the holder of a wine or cider maker's permit on his behalf.

Unless he ships them outside Québec, the holder of a microdistiller's permit may sell the alcoholic beverages referred to in the following subparagraphs, but only on the conditions set out in them:

(1) the alcoholic beverages he makes, at the place where they are produced, for consumption on the premises indicated in the permit or elsewhere;

(2) the alcohol or spirits he makes, to another industrial permit holder for purposes of blending and also for purposes of bottling if the latter is a distiller's permit holder.

In addition, he may sell and deliver the alcoholic beverages he makes to the Société.

Subject to the second paragraph, no holder of a microdistiller's permit may sell the alcoholic beverages he makes to the holder of a permit issued under this Act or the Act respecting liquor permits (chapter P-9.1).

A microdistiller's permit holder may also sell the alcohol he makes to a user if the following conditions are met:

- (1) the alcohol is intended for making products other than alcoholic beverages that can be used as a beverage for a person;
- (2) the products are not the subject of a notice by the board under section 102 of the Act respecting offences relating to alcoholic beverages (chapter I-8.1); and
- (3) he enters the sale in his register.

When he sells the alcoholic beverages he makes under the second or fifth paragraph, a microdistiller's permit holder is not required to purchase them first from the Société des alcools du Québec.

No holder of a microdistiller's permit may hold a small-scale production permit authorizing him to make alcohol or spirits. Nor may such a holder hold a small-scale production permit authorizing him to make alcoholic beverages requiring the same raw materials, with the exception of cider and other apple-based alcoholic beverages."

5. Section 26 of the Act is amended by inserting "or a microdistiller's permit" after "or spirits" in the seventh paragraph.

6. Section 27 of the Act is amended

(1) by inserting "or microdistiller's" after "distiller's" in the second paragraph;

(2) by inserting ", microbrewer's" after "to a brewer's" in the second paragraph.

7. Section 28 of the Act is amended

(1) by inserting "or microdistiller's" after "distiller's" in the second paragraph;

(2) by inserting "or a microbrewer's permit holder" after "industrial permit holder" in the second paragraph.

8. Section 29 of the Act is amended, in the first paragraph,

(1) by replacing "small-scale beer producer's" by "microbrewer's";

(2) by inserting ", microbrewer's" after both occurrences of "brewer's".

9. Section 30 of the Act is amended by replacing "small-scale beer producer's" in subparagraph 5 of the first paragraph by "microbrewer's".

10. Section 30.1.2 of the Act is amended

(1) by replacing “section 24.1 or” by “section 24.1, to subparagraph 1 of the second paragraph of section 24.2,”;

(2) by inserting “or to subparagraph 1 of the second paragraph of section 25.2” after “section 25”.

11. Section 32 of the Act is amended

(1) by inserting “or microbrewer’s” after “industrial”;

(2) by replacing “permit or” by “, microbrewer’s or”.

12. Section 33 of the Act is amended by inserting “or microdistiller’s” after “holder of a distiller’s” in the second paragraph.

13. Section 33.2 of the Act is amended, in the first paragraph,

(1) by replacing “the second paragraph of section 24.2 or pursuant to the third paragraph of section 25” by “subparagraph 1 of the second paragraph of section 24.2, pursuant to the third paragraph of section 25 or pursuant to subparagraph 1 of the second paragraph of section 25.2”;

(2) by replacing “77.1 to 78” by “77.3 to 78”;

(3) by replacing “small-scale beer producer’s” by “microbrewer’s permit, microdistiller’s”.

14. Section 34 of the Act is amended by replacing “small-scale beer producer’s” in subparagraph 1 of the first paragraph by “microbrewer’s”.

15. Section 37 of the Act is amended, in the first paragraph,

(1) by inserting “microbrewer’s,” after “brewer’s,” in subparagraph 7;

(2) by inserting the following subparagraphs after subparagraph 9.2:

“(9.3) determining the criteria for the special events where a small-scale production, microbrewer’s or microdistiller’s permit holder may sell the alcoholic beverages he makes;

“(9.4) determining, for small-scale production permit holders, the percentage of raw materials used in making his alcoholic beverages that must be grown by that permit holder;”.

16. Section 53 of the Act is amended by replacing “small-scale beer producer’s” in the first paragraph by “microbrewer’s”.

CHAPTER II

OTHER AMENDING PROVISIONS

ACT RESPECTING OFFENCES RELATING TO ALCOHOLIC BEVERAGES

17. Section 82.1 of the Act respecting offences relating to alcoholic beverages (chapter I-8.1) is amended

(1) by replacing “as the holder of a small-scale production permit or a small-scale beer producer’s permit, no permit holder may keep” in the introductory clause of the first paragraph by “, the holder of a small-scale production permit may not keep”;

(2) by inserting “with the exception of the alcoholic beverages he makes,” before “alcoholic beverages other than beer” in subparagraph 1 of the first paragraph;

(3) by inserting “microbrewer’s,” after both occurrences of “the holder of a” in subparagraph 3 of the first paragraph;

(4) by replacing “small-scale beer producer’s” in the third paragraph by “microbrewer’s”.

18. Section 83 of the Act is amended

(1) by inserting “, from a microdistiller’s permit holder” after “from a person authorized by it” in paragraph 1;

(2) by inserting “, microbrewer’s permit” after “grocery permit” in paragraph 4.1;

(3) by striking out paragraph 6.

19. Section 88 of the Act is amended by inserting “, a microbrewer’s permit, a microdistiller’s permit” after “small-scale production permit” in the second paragraph.

20. Section 91.1 of the Act is amended by inserting “, a microdistiller’s permit, a microbrewer’s permit” after “small-scale production permit”.

21. Section 92 of the Act is amended

(1) by replacing “small-scale beer producer’s” in paragraph *c* by “microbrewer’s”;

(2) by inserting “, microbrewer’s permit, microdistiller’s permit” after “brewer’s permit” in paragraph *f*.

22. Section 93 of the Act is amended by replacing “small-scale beer producer’s” in paragraph *e* of the first paragraph by “microbrewer’s”.

23. Section 100 of the Act is amended

(1) by inserting “a microdistiller or” after “authorized by the Corporation or by” in the first paragraph;

(2) by inserting “microdistiller or the” after “The” in the second paragraph.

24. Section 103.3 of the Act is amended by striking out “or of a small-scale beer producer’s permit”.

25. Section 109 of the Act is amended by inserting “, microbrewer’s permit, microdistiller’s permit” after “small-scale production permit” in subparagraph 3.

26. Section 116 of the Act is amended by inserting “, a microbrewer’s permit, a microdistiller’s permit” after “small-scale production permit”.

27. Section 132.1 of the Act is amended by inserting “, a microbrewer’s permit, a microdistiller’s permit” after “small-scale production permit”.

28. Section 177 of the Act is amended by inserting “microbrewer,” after “to a” in the first paragraph.

ACT RESPECTING LIQUOR PERMITS

29. Section 72.1 of the Act respecting liquor permits (chapter P-9.1) is amended

(1) by inserting “a microdistiller’s permit, a microbrewer’s permit,” after “small-scale production permit,” in the first paragraph;

(2) by replacing “small-scale beer producer’s” in subparagraph *b* of subparagraph 2 of the second paragraph by “microbrewer’s”;

(3) by replacing “small-scale beer producer’s” in subparagraph 2.1 of the second paragraph by “microbrewer’s”;

(4) by replacing “or of a small-scale beer producer’s permit” in subparagraph 3 of the second paragraph by “, a microbrewer’s permit or a microdistiller’s permit”.

RETAIL SALES TAX ACT

30. Section 20.9.11 of the Retail Sales Tax Act (chapter I-1) is amended

(1) by striking out “brewer’s permit, a warehouse permit or a cider maker’s” in subparagraph *c* of the second paragraph;

(2) by replacing “an industrial permit” in subparagraph *i* of subparagraph *c* of the second paragraph by “a permit”.

ACT RESPECTING THE QUÉBEC SALES TAX

31. Section 496 of the Act respecting the Québec sales tax (chapter T-0.1) is amended, in the second paragraph,

(1) by striking out “brewer’s permit, a beer distributor’s permit, a warehouse permit or a cider maker’s” in subparagraph 3;

(2) by replacing “an industrial permit” in subparagraph *a* of subparagraph 3 by “a permit”;

(3) by striking out subparagraph 4.1;

(4) by replacing “an industrial permit, a small-scale production permit or a small-scale beer producer’s permit” in subparagraph *a* of subparagraph 5 by “a permit”.

LICENSES ACT

32. Section 79.10 of the Licenses Act (chapter L-3) is amended

(1) by inserting “microbrewer’s permit, a microdistiller’s permit or a” after “under the Act respecting the Société des alcools du Québec (chapter S-13) or a” in subparagraph *a* of the first paragraph;

(2) by inserting “a microbrewer’s permit, a microdistiller’s permit,” after “brewer’s permit,” in subparagraph *ii* of subparagraph *b* of the first paragraph;

(3) by inserting “, a microbrewer’s permit, a microdistiller’s permit” after “brewer’s permit” in the third paragraph.

33. Section 79.11.1 of the Act is amended by inserting “a microbrewer’s permit, a microdistiller’s permit,” after “a brewer’s permit,”.

REGULATION RESPECTING LIQUOR PERMITS

34. Section 15.1 of the Regulation respecting liquor permits (chapter P-9.1, r. 5) is amended by replacing “small-scale beer producer’s” by “microbrewer’s”.

REGULATION RESPECTING ALCOHOLIC BEVERAGES MADE WITH BEER

35. Section 1 of the Regulation respecting alcoholic beverages made with beer (chapter S-13, r. 2) is amended

(1) by inserting “of section 24.2 and” after “referred to in subparagraph 3 of the first paragraph” in the definition of “beer blended with other alcoholic beverages”;

(2) by inserting “of a microbrewer’s permit or” after “the holder” in the definition of “beer blended with other alcoholic beverages”;

(3) by replacing “small-scale beer producer’s” in the definition of “permit holder” by “microbrewer’s”.

36. Section 4 of the Regulation is amended by replacing the second paragraph by the following paragraph:

“The holder of a microbrewer’s permit or of a brewer’s permit must purchase the alcoholic beverages from the holder of a permit issued pursuant to the Act respecting the Société des alcools du Québec (chapter S-13) who authorizes the making of the alcoholic beverages.”

37. Section 6 of the Regulation is amended by inserting “microbrewer’s permit or of a” after “holder of a”.

REGULATION RESPECTING ALCOHOLIC BEVERAGES MADE AND BOTTLED BY HOLDERS OF A DISTILLER’S PERMIT

38. The title of the Regulation respecting alcoholic beverages made and bottled by holders of a distiller’s permit (chapter S-13, r. 3) is amended by inserting “microdistiller’s or” after “holders of a”.

39. Section 1 of the Regulation is amended by inserting “microdistiller’s or” after “The holder of a”.

40. Section 3 of the Regulation is amended by inserting “microdistiller’s or” after “The holder of a” in the first paragraph.

REGULATION RESPECTING THE DUTIES AND COSTS PAYABLE UNDER THE ACT RESPECTING THE SOCIÉTÉ DES ALCOOLS DU QUÉBEC

41. Section 1 of the Regulation respecting the duties and costs payable under the Act respecting the Société des alcools du Québec (chapter S-13, r. 5) is amended

(1) by inserting the following subparagraph before subparagraph 1 of the first paragraph:

“(0.1) for a microdistiller’s permit: \$3,880;”;

(2) by striking out “, for a small-scale beer producer’s permit” in subparagraph 5 of the first paragraph;

(3) by inserting “microbrewer’s or” after the first occurrence of “for a” in subparagraph 6 of the first paragraph;

(4) by inserting “microbrewer’s permit, a” after “the holder of a” in the second paragraph;

(5) by inserting “microbrewer,” after “is optional where a” in the second paragraph.

REGULATION RESPECTING THE SALE OF BEER FOR CONSUMPTION ELSEWHERE

42. Section 1 of the Regulation respecting the sale of beer for consumption elsewhere (chapter S-13, r. 6.3) is amended by replacing “small-scale beer producer’s” by “microbrewer’s”.

CHAPTER III

TRANSITIONAL AND FINAL PROVISIONS

43. In the month after this Act is assented to, the Régie des alcools, des courses et des jeux must notify the holders of permits issued under the Act respecting the Société des alcools du Québec (chapter S-13) of the amendments to the provisions relating to the permits for the production and distribution of alcoholic beverages referred to in this Act.

44. The Régie des alcools, des courses et des jeux must notify all persons whose application for a permit filed before (*insert the date of coming into force of this Act*) has not been processed of the amendments to the provisions relating to the permits for the production and distribution of alcoholic beverages referred to in this Act. Those persons may modify their application without any additional cost.

45. Holders of a permit issued under the Act respecting the Société des alcools du Québec may continue to operate their establishment in accordance with the conditions prescribed before (*insert the date of coming into force of this Act*) until (*insert the date that is one year after the date of coming into force of this Act*).

46. Permit holders may apply for a change of permit between *(insert the date of coming into force of this Act)* and *(insert the date that is one year after the date of coming into force of this Act)*. In that case, no fee is payable for the issue of the permit.

47. The Government may prescribe, by regulation, any provision to rectify the omission of a transitional measure.

48. This Act comes into force on *(insert the date that is six months after the date of assent to this Act)*.

